CIA/OER/S-06856-75 REQUESTOR INFORMATION ON ALLEGED MAY SPEECH APR 75 CONF 01 OF 01

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Comments on Implementing Technological Innovations in the Soviet Economy

To the best of our knowledge, there is no public record of any speech by Brezhnev during May 1974. Brezhnev did address the Komsomol in April 1974 and the electors of Moscow's Bauman constituency in June 1974. These speeches (see FBIS, <u>Soviet Union</u>, <u>Daily Report</u>, 23 April 1974, pages R1-R12, and 17 June 1974, pages R1-R16) did not, however, go into the problems experienced by the Soviets in putting technological innovations to effective economic use, as reportedly suggested by Arbatov and Gvishiani. For the most part, Brezhnev's speech to the Komsomol complimented the members for their past contributions and urged them on to even greater achievements. In the area of science and technology, Brezhnev cited the continuing need for vocational training and the need for expanding vocational training schools (page R5, para. 5 and page R6, para. 1). In his electoral speach, Brezhnev spoke of the past successful implementation of science and technology in agriculture (page R2, para. 6) and in the consumer goods industry (page R3, para. 2). He made the point that "the party sees scientific and technological progress as the pivot of its whole economic policy" (page R5, para. 3), but did not go much beyond calling for increased labor productivity to be effected through the acquisition of "more productive machinery, new automatic lines, powerful tractors, combines, and other agricultural equipment, and the most up-to-date equipment." The closest Brezhnev came to discussing the problem of implementing technological innovations was when he spoke of the need to examine the "legal controls over economic activity"... that tend to "stifle initiative and contradict the new requirements now demanded by economics" (page R7, para. 4-6). In short, Brezhnev is calling for the upgrading of management.

Recent OER publications on technology transfer to the USSR may provide the necessary background information, including the internal politics on the matter. Specifically, we refer you to an excerpt from ER IR 71-13, The Soviet Attempt to Improve Applied R&D, page 1-13, for a brief account of the problems in the Soviet R&D sector; to ER IR 73-26, Transfer of Technology from the United States to the

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USSR: Problems and Prospects, pages 5-7, para. 13-20, for an account of the problems in assimilating foreign technology by the Soviets; and to CIA No. 8113/74, The Impact of Technological Transfer on the USSR, section IV, pages 24-34, for a discussion on the internal politics of the matter.

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